

---

## Health Care & Wellness Committee

---

### HB 2340

**Brief Description:** Creating the Washington health benefit exchange as a state agency.

**Sponsors:** Representatives Cody, Morrell, Green, Ryu, Reykdal and Carlyle.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Converts the Washington Healthplanfinder from a public-private partnership to a state agency.</li></ul>
---



**Hearing Date:** 2/3/14

**Staff:** Jim Morishima (786-7191).

**Background:**

Under the federal Patient Protection and Affordable Care Act, states must establish a health benefit exchange through which consumers may compare and purchase individual and small group coverage, access premium and cost-sharing subsidies, and apply for Medicaid coverage. If a state does not establish a health benefit exchange, the federal government will operate one for the state. Washington established its health benefit exchange, known as the Washington Healthplanfinder, in 2011 as a public-private partnership.

The Washington Healthplanfinder is governed by a board consisting of members with expertise in the health care system and health care coverage. Eight members of the board are appointed by the Governor from a list submitted by all four caucuses of the House of Representatives and the Senate. A ninth member is appointed by the Governor and serves as chair; the chair may vote only in the event of a tie. The Insurance Commissioner and the administrator of the Health Care Authority serve as non-voting members.

The Washington Healthplanfinder is subject to the Open Public Meetings Act and the Public Records Act but not to any other law or regulation applicable to state agencies. Washington

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Healthplanfinder employees are authorized to participate in state health benefit and retirement programs.

The Washington Healthplanfinder is required to be self-sustaining and is funded by a combination of revenues from premium taxes and assessments. The Washington Healthplanfinder is exempt from the state's business and occupations (B&O) tax.

**Summary of Bill:**

The Washington Healthplanfinder is changed from a public-private partnership to a state agency. The new agency is the successor to the public-private partnership and has all of its powers, duties, and functions. The agency assumes all of the existing obligations of the public-private partnership.

The new agency's director is to be appointed by the Governor and confirmed by the Senate. The director may employ a deputy director, assistant directors, and special assistants who are exempt from the state's civil service law. The director may also hire employees to administer the exchange. The director may adopt administrative rules and is subject to financial affairs reporting requirements like other executive state officers.

The Washington Healthplanfinder is added to provisions generally applicable to all state agencies, and exemptions from other provisions generally applicable to all state agencies are eliminated. The Washington Healthplanfinder's exemption from B&O tax is eliminated.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2014.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.